

COMMONWEALTH OF VIRGINIA
VIRGINIA EMPLOYMENT COMMISSION
Workforce Investment Act

Policy Number	00-8
Effective Date:	
Revision #	1
Revision Date	October 3, 2005
Title:	Virginia's Training Voucher System under WIA and Exceptions

PURPOSE

To describe Virginia's policy governing how a statewide training voucher system that is based on customer choice and accompanied by effective case management will be used to purchase training under the Workforce Investment Act (WIA); to describe permissible exceptions to the use of training vouchers; and to guide Local Workforce Investment Boards (LWIBs) as to what policy and operational decisions they must make regarding the use of training vouchers and regarding exceptions to their use.

REFERENCES

P.L. 105-220, Workforce Investment Act, Sections 101; 122; 134; 181; 195.
Federal Register, Volume 64, No. 37/February 25, 1999: U.S. Department of Labor 20 CFR Part 663, Subparts C – E; and Sections 667.268 – 667.275.
Virginia Workforce Investment Act Policy 00-6, Universal Access, Adult Eligibility and Priority of Services. Virginia Workforce Investment Act Policy 00-7, Certification Process for WIA Training Providers.

POLICY STATEMENT

Individual empowerment through informed customer choice is one of seven principles that guided the authors of the Workforce Investment Act. A key tool to actualize this principle is the use of individual training accounts, or vouchers, which give individuals the power to choose eligible training programs and qualified training institutions as a means of accomplishing their training and employment goals.

Virginia's voucher system supports a "work first" philosophy, so that those who cannot find employment through core and intensive services will logically be those with substantial barriers to employment and to self-sufficiency. As such, vouchers for job training shall be accompanied by a strong case management system that provides the counseling assistance and the supportive services necessary for the success of those individuals. Virginia's voucher system is also designed to support incumbent worker training, so that Virginians have the opportunity to develop enhanced work skills that are in demand by local employers and that will lead to better wages and self-sufficiency for the individual.

A voucher system is a required component of a one-stop delivery system. Each local comprehensive one-stop center must serve as a point of access to vouchers for WIA Title I training services in Virginia. Except for specific exceptions that are outlined in Attachment A, "Exceptions to the Use of Vouchers", all WIA Title I training services must be purchased by adults, older and out-of-school youth or dislocated workers using a locally approved voucher.

Without exception, WIA training vouchers must be used only for the purchase of training by certified training providers. The Virginia Employment Commission is responsible for the development of a consumer report system, which will be a single list of the providers identified from all local areas in the State, along with the performance information and program cost information. This list of certified programs and providers will be readily available to all localities via the Internet. Individuals eligible to receive training services shall have the opportunity to select any of the eligible providers, from any of the local areas in the State, that are included on the approved list.

Vouchers in Virginia may be utilized for adults, dislocated workers, older youth and out-of-school youth. For older youth and out-of-school youth, please refer to Field Guidance Memorandum 05-08 for additional guidance.

The Virginia Employment Commission is available to provide technical assistance to Chief Local Elected Officials, Local Workforce Investment Boards, one-stop operators and youth program operators to ensure effective and efficient local implementation of the Virginia Training Voucher System.

RECISIONS

APPROVED

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Commissioner, Virginia Employment Commission

DATE: October 3, 2005

**COMMONWEALTH OF VIRGINIA
VIRGINIA EMPLOYMENT COMMISSION
POLICY NUMBER 00-8
ATTACHMENT A
VIRGINIA TRAINING VOUCHER SYSTEM**

A. Access to training vouchers is to be provided at not less than one physical comprehensive service center in each Local Workforce Investment Area (LWIB) in Virginia for the purchase of the following training services for eligible and qualified individuals:

Eligibility requirements for the Workforce Investment Act and qualifications for training services are described in WIA Policy 00-6.

- 1) Occupational skills training;
- 2) Programs that combine workplace training with related instruction, which may include cooperative education programs;
- 3) Training programs operated by the private sector;
- 4) Skill upgrading and retraining;
- 5) Entrepreneurial training;
- 6) Job readiness training that leads to employment;
Job readiness training that is pre-vocational (not intended to result in employment) would be considered an intensive service, which can be contracted.
- 7) Adult education and literacy activities provided in combination with training services listed above that lead to employment.

Stand alone adult literacy, basic skills education, and English as a second language classes and rudimentary computer lessons that prepare adults to enter occupational skills training may be considered pre-vocational services and may be provided as intensive services.

B. Training vouchers must be used only to procure training from certified training providers that are included on the statewide list.

The certification process for training providers in Virginia is described in WIA Policy 00-7. Any costs associated with the certified training, such as books, supplies, tools, and uniforms, may also be purchased, using vouchers or purchase orders, depending upon local arrangements.

C. The use of vouchers must be linked to occupations that are in demand in the local area or to sectors of the economy that have a high potential for sustained demand or growth in the local area [WIA Sec.134 (d)(4)(G)].

If individuals are willing to relocate, they may receive training in occupations in demand in another area [20 CFR, Sec. 663.310].

D. Training vouchers shall be issued only after an individual receives core and intensive services and continues to be unsuccessful in finding employment (see WIA Policy 00-6). In addition, vouchers shall be issued only in consultation with a skilled and knowledgeable case manager/career coach.

Personnel responsible for providing career counseling and assessment to WIA customers, either employed by the partners or the one-stop operator, shall have the appropriate training to provide such services.

1) The case manager determines after an individual interview and assessment that the customer is in need of training [20 CFR, Sec. 663.310]. Individual assessment shall identify barriers to successful employment, including the need for training, and to the completion of training and shall identify any need for support services.

2) The case manager shall assist with the development of a training plan and employment goals. Individual assessment shall also be used to indicate appropriateness of the training and employment goals based on skills, abilities and interests.

The case manager shall provide career counseling to ensure that training and employment goals are realistic and achievable. In addition, the case manager shall provide labor market information, including current information on employment and wage trends and projections, to ensure that vouchers are used to purchase training that is directly linked to employment opportunities in the local area or in an area to which the individual is willing to relocate.

3) The case manager shall assist the customer to objectively compare and evaluate consumer reports of training providers.

4) The case manager shall ensure that necessary support services, such as childcare or reliable transportation, are in place through referral to WIA partners and other community services programs or that these services are provided using appropriate WIA funding.

5) The case manager shall coordinate WIA vouchers with all other sources of financial aid available to the customer so that duplication does not occur.

WIA requires the coordination of training costs with funds available under other Federal programs [WIA Sec. 134(d)(4)(B)]. To avoid duplicate payment of costs when an individual is eligible for both WIA and other assistance, including a Pell Grant, case managers shall consider all available sources of funds, excluding loans, in determining an individual's overall need for WIA funds. The exact mix of funds shall be determined based on the availability of funding for either training costs or supportive services, with the goal of ensuring that the costs of the training program the participant selects are fully paid and that necessary supportive services are available so that the training can be completed successfully.

The case manager shall also verify that there is no duplication of training vouchers provided by other local workforce investment areas in Virginia.

6) The case manager shall follow-up on a regular basis with customers that are in training programs, to develop retention strategies, if necessary, and to authorize or cancel continued training vouchers as appropriate.

Payments may be made incrementally, through payment of a portion of the costs at different points in the training course [20 CFR, Sec. 663.410].

E. Training services must be provided in a manner that maximizes informed consumer choice in selecting an eligible provider [20 CFR, Sec. 663.440].

1) Each LWIB, through the one-stop system, must make available to customers the State list of eligible and certified providers of WIA training services.

2) Each one-stop operator must make available the information identifying eligible local providers of on-the-job training and customized training, and the expected outcomes, performance and cost information of that training.

3) Each one-stop operator must make available the consumer reports of any other adult training that is provided under contract in the local area. The customers must have enough information to fully understand all of the options

available to them. Program-specific factors must include expected outcomes, expected wages for target jobs, overall performance, performance for significant customer groups (including wage replacement rates for dislocated workers), special accommodations or support services available and duration of training programs.

4) If all the requirements for eligibility, qualification, priority of service [WIA Policy 00-6] and case management are met, and if the program has not exhausted funds for the program year, the operator must refer the individual to his/her selected certified provider, and provide a voucher, [in accordance with local policy](#), for the individual to pay for training [20 CFR, Sec. 663.440].

F. Allowances, earnings, and payments to individuals participating in programs under Title I of WIA are not considered as income for purposes of determining eligibility for any Federal or Federally assisted program based on need other than as provided under the Social Security Act (42 USC 301 et seq.) [WIA Sec. 181(a)(2)].

**COMMONWEALTH OF VIRGINIA
VIRGINIA EMPLOYMENT COMMISSION
POLICY NUMBER 00-8**

ATTACHMENT B

EXCEPTIONS TO THE USE OF VOUCHERS FOR TRAINING SERVICES

In the limited cases where contracts are used rather than vouchers, the contracts negotiated by the onestop operator or LWIB must prohibit training institutions or organizations from holding the student liable for outstanding charges.

A. On the job training

1) The term 'on-the-job training' (OJT) means

(a) training by an employer that is provided to a paid employee while engaged in productive work in a job; and

(b) knowledge or skills training that is essential to the full and adequate performance of the job; and

(c) training that provides reimbursement to the employer of up to 50 percent of the wage rate of the participant, for the extraordinary costs of providing the training and additional supervision related to the training;

2) OJT contracts may be written for eligible employed workers when:

(a) the employee is not earning a self-sufficient wage as determined by LWIB policy;

(b) the OJT relates to the introduction of new technologies, introduction to new production or service procedures, upgrading to new jobs that require additional skills, workplace literacy, or other appropriate purposes identified by the LWIB; and

(c) the OJT meets the identified training needs of the participant, according to an individual employment plan.

3) Eligible employers

(a) may be in the public, private non-profit, or private sector;

(b) must have the personnel to provide adequate supervision and training;

A training plan signed by the employer must describe the skills to be learned and the responsibilities of the supervisor or trainer.

(c) must provide a minimum of 50% of the employee's wage throughout the training;

Individuals in on-the-job training must be compensated at the same rates, including periodic increases, as trainees or employees who are similarly situated in similar occupations by the same employer and who have similar training, experience and skills.

Such rates must be in accordance with applicable law, but may not be less than the higher of the rate specified in section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) or the applicable State or local minimum wage law [20 CFR, Sec. 667.272].

(d) must provide benefits and working conditions at the same level and to the same extent as other trainees or employees working a similar length of time and doing the same type of work [WIA Sec. 181 (a) (5)].

(e) must not have a history or pattern of failing to provide OJT participants with continued long-term employment with wages, benefits, and working

conditions that are equal to those provided to regular employees who have worked a similar length of time and are doing the same type of work [WIA Sec. 195(4)];

(e) must not have relocated from any location in the United States within 120 days, if the relocation resulted in any employee losing his or her job at the original location [20 CFR, Sec. 667.268]; and

(f) must not use OJT assignments to displace regular employees, or to replace any employee on layoff.

4) Payments to employers

(a) are deemed to be compensation for the extraordinary costs associated with training participants including additional supervision, training and the costs associated with the lower productivity of the participants, and those extraordinary costs need not be documented by the employer [20 CFR, 663.710]; and

(b) must not be in excess of 50 percent of the wage rate of the OJT participant.

5) Duration

An OJT contract must be limited to the period of time required for a participant to become proficient in the job for which the training is designed. In determining the appropriate length of the contract, consideration should be given to the skill requirements of the job, the academic and occupational skill level of the participant, prior work experience, and the participant's individual employment plan [WIA Sec. 101(31)(C)].

The training plan shall describe a timeline for completion of the training.

6) One-stop operators in a local area shall collect the performance information for each OJT participant.

7) Consumer reports

All OJT performance information, along with the other relevant information, must be made available by the one-stop operator or the LWIB through the onestop delivery system.

B. Customized training

1) Customized training is defined as training

(a) that is designed to meet the special requirements of an employer or a group of employers; and

Customized training must not be provided to employers that have relocated from any location in the United States within 120 days, if the relocation resulted in any employee losing his or her job at the original location.

(b) that is conducted with a commitment by the employer(s) to employ, or in the case of incumbent workers, continue to employ, an individual on successful completion of the training; and

Customized training of an eligible employed individual may be provided when the employee is not earning a self-sufficient wage as determined by LWIB policy. In that case, the training should lead to the potential for increased wages.

(c) for which the employer pays for not less than 50 percent of the cost of the training [WIA Sec. 101(8)].

2) One-stop operators in a local area shall collect the performance information for customized training programs in their areas.

3) Consumer reports

All customized training performance information, along with the other relevant consumer information, must be made available by the one-stop operator or the LWIB through the one-stop delivery system.

C. Insufficient providers

Under limited circumstances, LWIBs may determine that there are an insufficient number of eligible training services providers in the local area.

1) In Virginia, this exception shall apply only to rural areas.

2) In Virginia, this exception shall be used infrequently.

LWIBs should encourage local area training providers to apply for certification in order to be placed on the statewide list of certified training providers.

3) The local plan must describe the process to be used in selecting the providers under a contract for services.

4) There must be a 30-day public comment period for interested providers and the general public.

D. Training for special populations

Contracts for training may be authorized when the LWIB determines that there is a training services program of demonstrated effectiveness offered in the local area to serve targeted low-income special participant populations that face multiple barriers to employment.

This exception is intended to be used infrequently. The definition for low-income individual that is used in WIA Title I Subtitle A, Section 101 will be used by LWIBs in developing their criteria and their documentation process to meet the low-income requirement

1) 'Special participant population that faces multiple barriers to employment' means:

(a) low-income individuals with substantial language or cultural barriers;

(b) low-income individuals who are offenders;

(c) low-income individuals who are homeless; or

(d) other low-income hard-to-serve populations with special needs as defined by the LWIB involved.

2) An eligible provider is:

(a) a community based organization (CBO)

(b) other private organization [20 CFR, Sec. 663.430(a)(3)].

3) The LWIB must develop criteria to be used in determining demonstrated effectiveness, particularly as it applies to the special participant population to be served.

This determination is in addition to meeting the requirements for qualifying as an eligible training provider. LWIBS should develop specific criteria applicable to their local areas.

The criteria may include:

- (a) financial stability of the organization;
- (b) demonstrated performance --for the program including participant completion rates; attainment of the skills, certificates or degrees the program is designed to provide; placement after training in unsubsidized employment; and retention in employment; and
- (c) how the specific program relates to the workforce investment needs identified in the local plan.

E. Those training providers operating under the voucher exceptions still must qualify as eligible providers, as required at 20 CFR, Section 663.505.

1) Local Workforce Investment Boards must require performance data for all WIA Title I funded participants participating in any program of contracted training services to be tracked and submitted for the following performance outcomes:

All of the following performance data shall be collected by the appropriate one-stop operators and submitted to the LWIB for consideration in the certification process and to the Virginia Employment Commission for inclusion in the statewide consumer reports system.

- (a) The percentage of adult WIA participants who have completed the applicable training program and enter unsubsidized employment [WIA Sec. 122(d)] generally related to the training and for which there are jobs in the community.
- (b) The percentage of dislocated workers who have completed the applicable program and who are placed in unsubsidized employment related to training.
- (c) The retention rates in unsubsidized employment of participants who have completed the applicable program, 6 months after the first day of the employment [WIA Sec. 122 (d)];
- (d) The wages received by participants who have completed the applicable program, 6 months after the first day of the employment involved [WIA Sec. 122 (d)];
- (e) Where applicable, the rates of licensure or certification, attainment of academic degrees or equivalents, or attainment of other measures of skills, of the WIA graduates of the training services program [WIA Sec. 122 (d)]; and
- (f) The measure of customer satisfaction of all WIA participants who are enrolled in or have completed the applicable training services program.

**COMMONWEALTH OF VIRGINIA
VIRGINIA EMPLOYMENT COMMISSION
POLICY NUMBER 00-8
ATTACHMENT C
GUIDE TO LOCAL POLICY DECISIONS**

1) LWIBs shall establish the procedures for making payments for the voucher system.

Payments for vouchers may be made in a variety of ways, including the electronic transfer of funds through financial institutions, vendor accounts, or other appropriate methods.

2) LWIBs may supplement the information available from the State list by providing customers with additional objective information to assist in supporting informed customer choice and the achievement of local performance measures. This additional information may include:

(a) information on programs of training services that are linked to occupations in demand in the local area;

(b) performance and cost information, including program-specific performance and cost information, for the local outlet(s) of multi-site eligible providers; and

(c) other information related to the objectives of WIA, which may include performance for significant customer groups, performance at specific training sites or wage and employment trends as related to the training.

3) LWIBs may impose limits on vouchers, such as limitations on the dollar amount and/or duration.

Any authority to restrict the duration of vouchers or to restrict funding amounts should not be used to establish limits that arbitrarily exclude eligible providers [20 CFR, Sec. 663.420].

(a) There may be a limit for an individual participant that is based on the needs identified in the individual employment plan; or

(b) There may be a policy decision by the LWIB to establish a range of amounts and/or a maximum amount applicable to all vouchers.

(c) LWIBs may approve the use of vouchers so that they are directly linked to occupations that are currently in demand in the local area, or to occupations determined to be in sectors of the economy that have a high potential for sustained growth in the local area.

(d) LWIBs may limit the use of vouchers if it is found that a certified training provider on the statewide list has poor performance at the local outlet.

(e) Any limitations established by LWIB policies for the use of vouchers must be described in the local plan.

4) LWIBs may enter into agreements with certified training services providers in other States to accept Virginia vouchers.